

9:00 a.m.  
May 23, 2000

MINUTES -REGULAR MEETING

Evergreen Plaza Bldg. Room 203  
711 Capitol Way South  
Olympia, Washington

COMMISSION MEMBERS PRESENT

Susan Brady, Chair  
Ronda Cahill, Vice Chair  
Christine Yorozu, Secretary  
Gerry Marsh, Member  
Dean Sutherland, Member

STAFF PRESENT

Susan Harris, Asst. Dir., Compliance  
& Enforcement  
Karen Copeland, Asst. Dir., Records &  
Administration  
Michael Smith, Chief Information  
Technology Officer  
Jean Wilkinson, Asst. Attorney General  
Greg Brunson, Asst. Attorney General  
Ruthann Bryant, Secretary

The regular meeting of the Public Disclosure Commission was called to order by Commission Chair Susan Brady at 9:00 a.m. in the Evergreen Plaza Building, Room 203, Olympia, Washington.

Commissioner Comments

Commissioner Brady commented that this was the first meeting with Vicki Rippie as Executive Director, however she was out of town due to a family medical situation. She thanked staff for doing a great job and Susan Harris for stepping up and taking over to get the meeting together.

Citizen Comments/Concerns

Elizabeth Perinni, President of the League of Women Voters of Washington, was present along with Brad Roark to explain a proposed project for campaign conduct in association with the Institute for Global Ethics of Camden, Maine. Mr. Roark,

Vice President for Public Policy for the Institute for Global Ethics, summarized the project by explaining that voter turnout has dropped over the last few years due in part to the high degree of mistrust of candidates in attack campaigning. The goal of the project for campaign conduct is to get candidates to sit down with one another to draft and sign a "code of conduct" which they would follow during the campaign season. The job of the project is to advertise those guidelines to the public. Mr. Roark added that the idea was tested in Washington and Ohio 1998 and will continue in those states for the 2000 season for congressional and statewide campaigns.

Advisory Matters

Application of RCW 42.17.130  
To judicial candidates

Assistant Attorney General Jean Wilkinson reported on the issue of judges wearing robes in campaign advertising brought by Mary McQueen, Administrator for the Courts. Ms. Wilkinson reported that a complaint was filed within the last year involving a district court judge, but the complaint was dismissed. At that time, a warning was issued stating that if further complaints were filed, action could be taken. Staff is requesting guidance in order to respond to Ms. McQueen's letter as well as to other judges who have called with questions.

Ms. Wilkinson advised the Commission that RCW 42.17.130 no longer applies to state officials, but to district court judges only. She also advised that judges are subject to the ethical rules of the Canons of Judicial Conduct.

Commissioner Cahill commented that public domain photos have been approved for use in campaigning previously and it was also determined that it is not a violation of RCW 42.17.130 to allow campaign photos to be taken in courtrooms after hours so long as this is allowed on a non-discriminatory, equal access basis. She also stated that persons who were not presently

judges could not have photos in judicial robes since it implied incumbency.

Commissioner Brady questioned whether public or private funds were used to purchase robes.

Commissioner Sutherland commented that there was a need for consistency and suggested letting the legislature decide.

Commissioner Cahill stated that when candidates are in a campaign mode, the PDC law applies.

Ms. Wilkinson replied that the 1994 ethics law regulates state officers and employees and took away the PDC's jurisdiction from the superior court level and higher.

Commissioner Brady suggested researching the case law regarding RCW 42.17.130.

Commissioner Yorozu expressed concern as to whether or not the Commission has been inconsistent on the use of uniforms in the past.

Ms. Wilkinson replied that all cases prior have been fact driven on a case-by-case basis. She also suggested that the Commission provide legal staff with a list of questions to pass along to Ms. McQueen to prepare further information for the June meeting.

Commission Yorozu expressed concern with the campaign season beginning and many candidates are in the process of preparing campaign materials.

**Motion 00-152**

Moved by Commissioner Cahill, seconded by Commissioner Sutherland:

**The Commission postpones action for approximately two weeks. A special meeting will be called if progress is made.**

The motion passed unanimously.

Recusal statement contained in  
Reporting modifications

Ms. Wilkinson summarized the background of a recusal statement contained in reporting modifications granted to all candidates who request not to report clients of law firms. She suggested a new version of a recusal requirement granted to judges and judicial candidates.

**Motion 00-153**

Moved by Commissioner Cahill, seconded by Commissioner Yorozu:

**The Commission amends the Kimura Protocol for judges and judicial candidates and office holders to add language stating:**

***“This reporting modification is granted on the basis that the applicant is subject to the Canons of Judicial Conduct, specifically the disqualification provisions of Canon 3(d) and that the applicant will disqualify himself or herself as recommended by Canon 3(d).”***

Voting for: Commissioners Brady, Cahill, Yorozu, and Marsh

Not voting: Commissioner Sutherland

The motion passed.

Web-based fundraising

Doug Ellis reported on companies that create and maintain web sites that are interested in providing WebPage services to campaigns in Washington State. He added that these companies and the campaign committees using their services are looking for guidance on how to report the services in the campaign finance disclosure framework of contributions and expenditures since the contributions could be made by the donors on-line.

Commissioner Cahill requested that in addition to the transaction number, that the credit card type, the final four digits as well as expiration date be

included. This would give an achievable audit trail without involving external involvement. The FEC guidelines require the full credit card number and expiration date, however they do not have an open inspection rule where there would be exposure as we have in Washington. Commissioner Cahill also inquired if the web service companies would be utilizing secured sockets to protect the credit card information from wrongful use.

Mr. Ellis commented that the Federal Election Commission has provided guidance for federal candidates relating to the acceptance of campaign contributions using credit cards and electronic fund transfers on-line. Staff believes that the FEC approach is consistent with state law in this instance and recommends adoption of similar state guidelines.

#### Enforcement Matters

*Bob Holman and Bill Verwolf,  
Case #98-405*

Assistant Attorney General Greg Brunson reported on the alleged violation of RCW 42.17.130 by Bob Holman, Mayor, and Bill Verwolf, Administrator, for using the facilities of the City of Monroe to promote a local referendum. Mr. Brunson also reported that the parties have stipulated and staff is recommending acceptance of the proposed stipulation and penalty.

#### **Motion 00-153**

Moved by Commissioner Sutherland, seconded by Commissioner Marsh:

**The Commission accepts the Stipulated Facts and Violations in PDC Case #98-405 as follows:**

***“The Commission orders respondent Holman to reimburse the City of Monroe \$1,508.21 with non-public funds by June 30, 2000, and imposes on respondent Holman a civil penalty of \$2,500, payment of which may not be made with public funds. The Commission suspends \$1,508.21 of this***

***penalty on the condition that the respondent: 1) in his capacity as Mayor of the City of Monroe, does not violate a provision of chapter 42.17 RCW for a period of two years from the date of this order; 2) reimburses the City of Monroe \$1,508.21 using non-public funds by June 30, 2000; and 3)pays the \$991.79 non-suspended portion of the penalty to the Commission using non-public funds by June 30, 2000.***

***The Commission further orders that the charges against Verwolf be dismissed.”***

The motion passed unanimously.

The Commission authorized Executive Director Vicki Rippie to sign the final order.

Mr. Brunson also updated the Commission on the Seattle Public Schools. He reported that the district is presently at or very near the \$15,000 in donated services required under the settlement agreement and will provide verification once written confirmation is received.

Request for Reconsideration  
38<sup>th</sup> District Democrats, case  
#99-080

Ms. Harris reported that the 38<sup>th</sup> District Democrats were found in violation of RCW 42.17.080 and .090, untimely filing of reports, and were assessed a penalty of \$2,500. She added that the total amount of donations received by the campaign between May 1997 and August 1999 was \$22,000.

Christine Lavra was present and explained that she has resigned as Chair to take the position as Treasurer and is taking steps to educate the committee as a whole on the PDC filing requirements. She added that 38<sup>th</sup> is requesting suspension of the penalty contingent upon no further violations.

There was no motion to reconsider this matter.

Commissioner Sutherland commented that the recent actions of the 38<sup>th</sup> District Democrats is appreciated.

Requests for Review

*Sandy Elliot, case #00-410*

Ms. Harris reported that a brief enforcement hearing was held on December 16, 1999 in which Ms. Elliot was found in violation of RCW 42.17.050 for failure to register as a candidate and RCW 42.17.240 for failure to timely file the Statement of Financial Affairs. She was assessed a penalty of \$50.00. The reports were filed on December 8, 1999.

Ms. Elliot was present and reported that at the time of candidate withdrawals, her family was out of the country on vacation and upon her return, she had personal family situations to contend with. Ms. Elliot also had documentation showing she had filed her C-1 on time.

**Motion 00-154**

Moved by Commissioner Cahill, seconded by Commissioner Yorozu:

**The Commission amends case #00-410 to find a violation of RCW 42.17.240 and assesses a penalty of \$50.00 with \$50.00 suspended based on no violation for a period of two years.**

The motion passed unanimously.

Reporting Modifications

New

*Betsy Cowles, Board of Regents,  
Washington State University*

Commissioner Brady reported that Ms. Cowles requested not to report stocks and bonds that are held in trust as well as business customers and real estate holdings of Cowles Publishing Company of which she is an officer.

**Motion 00-155**

Moved by Commissioner Cahill, seconded by  
Commissioner Sutherland:

**The Commission approves a limited reporting modification for only non-profit organizations of which she and her spouse hold positions.**

**The Commission finds that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.**

The motion passed unanimously.

*Meta Heller, Candidate,  
Governor*

Commissioner Brady reported that Ms. Heller requested not to use electronic filing since she does not have a computer or a typewriter.

Ms. Harris commented that SB 6775 would require electronic filing by the year 2001 for many people, however the bill also gave the commission the authority to grant modifications, and staff would recommend approval in this case.

**Motion 00-156**

Moved by commissioner Cahill, seconded by  
Commissioner Marsh:

**The Commission grants the reporting modification for Meta Heller as requested.**

**The Commission finds that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.**

The motion passed unanimously.

*Stan Kawamoto, School Board  
Director, Renton School Board*

Commissioner Brady reported that Mr. Kawamoto requested not to report business customer of J.

Harper Contractor, Inc., of which he is fifty-one percent owner.

There was no motion to consider this request.

Renewals (with changes)

*Arch Miller, Commissioner, Port  
Of Vancouver*

Mr. Miller's request for a reporting modification has been held over for a month in order to clarify questions in regard to a trust fund.

*Dennis Seinfeld, Trustee,  
Tacoma Community College*

Ms. Harris reported that Mr. Seinfeld requested not to report clients of his law firm, Davies Pearson, P.C.

**Motion 00-157**

Moved by Commissioner Cahill, seconded by Commissioner Yorozu:

**The Commission grants a reporting modification to allow Dennis Seinfeld to satisfy the reporting requirements of RCW 42.17.241(1)(g)(ii) by identifying for the appropriate reporting period:**

- (a) The names of the reportable business clients for whom he has done legal work;**
- (b) Other reportable business clients of the law firm whose interests are significantly affected by the actions of Tacoma Community College, whose identities become known to the applicant by any means;**
- (c) The names of the reportable business clients of the law firm listed in Martindale Hubbell, the firm's publicity brochures, the firm's resume, or whose identities are otherwise publicized; and**
- (d) All governmental clients that have done business with the law firm.**

**In addition, the applicant must recuse himself from participating as a board**

**member in any matter affecting the interests of the law firm or its clients.**

**The Commission finds that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.**

The motion passed unanimously.

Renewals (with changes)

Commissioner Brady commented that she had a very distant relationship with David Lamb and his mother Isabelle Lamb, but has had not contact with them for at least ten years. She also noted that the renewals with no changes would be considered en masse.

**Motion 00-158**

Moved by Commissioner Cahill, seconded by Commissioner Yorozu:

**The Commission grants the reporting modifications requested by Timothy Austin, Ronald Gould, Stephen Johnson, David Lamb, Isabelle Lamb and US West PAC as requested.**

**The Commission finds that literal application would cause a manifestly unreasonable hardship on the applicants and that a limited modification would not frustrate the purposes of the act.**

The motion passed unanimously.

New – Judicial

*Tom Chambers, State Supreme Court Justice*

Commissioner Brady reported that Mr. Chambers requests not to report the payments from business customers and governmental agencies to United Way of King County and Rise n' Shine Foundation where he serves as a board member.

**Motion 00-159**

Moved by Commissioner Cahill, seconded by Commissioner Yorozu:

**The Commission grants the reporting modification for Tom Chambers as requested.**

**The Commission finds that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.**

The motion passed unanimously.

*Dean Lum, King County Superior Court*

Ms. Harris reported that Mr. Lum, for security reasons, requests not to report the location of his residence in the real estate portion of the F-1 form.

**Motion 00-160**

Moved by Commissioner Cahill, seconded by Commissioner Marsh:

**The Commission grants the reporting modification for Dean Lum as requested.**

**The Commission finds that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.**

The motion passed unanimously.

*Palmer Robinson, Judge, King County Superior Court*

Commissioner Brady reported that Mr. Robinson requests not to report the payments received from business customers of the law firm Carney, Badley, Smith & Spellman, for which her spouse serves as a director.

**Motion 00-161**

Moved by Commissioner Cahill, seconded by Commissioner Marsh:

**The Commission grants a reporting modification to allow Palmer Robinson to satisfy the reporting requirements of RCW 42.17.241(1)(g)(ii) by identifying for the appropriate reporting period:**

- (a) The names of the reportable business clients for whom her spouse has done legal work;**
- (b) Other reportable business clients of the law firm whose interests are significantly affected by the actions of King County Superior Court, whose identities become known to the applicant by any means;**
- (c) The names of the reportable business clients of the law firm listed in Martindale Hubbell, the firm's publicity brochures, the firm's resume, or whose identities are otherwise publicized; and**
- (d) All governmental clients that have done business with the law firm.**
- (e) This reporting modification is granted on the basis that the applicant is subject to Canons of Judicial Conduct, specifically the disqualification provisions of Canon 3(d) and that the applicant will disqualify herself as recommended by Canon 3(d).**

**The Commission finds that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.**

The motion passed unanimously.

Renewals – Judicial (with changes)

*Helen Halpert, Superior Court  
Judge, King County*

Ms. Harris reported that Ms. Halpert was formerly a municipal court judge and is now a superior court judge.

**Motion 00-162**

Moved by Commissioner Cahill, seconded by Commissioner Yorozu:

**The Commission grants the renewal of the previous reporting modification for Helen Halpert.**

**The Commission finds that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.**

The motion passed unanimously.

*Karen Seinfeld, Judge, Division II  
Court of Appeals*

Ms. Harris reported that Ms. Seinfeld is no longer officer or director of the Davies Pearson law firm and her ownership is less than 10%.

**Motion 00-163**

Moved by Commissioner Cahill, seconded by Commissioner Marsh:

**The Commission grants the reporting modification for Karen Seinfeld as requested.**

**The Commission finds that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.**

The motion passed unanimously.

Renewal – Judicial (no change)

The Commission considered judicial renewals with no change en masse.

**Motion 00-164**

Moved by Commissioner Cahill, seconded by Commissioner Yorozu:

**The Commission grants the reporting modifications requested by William Baker, Richard Sanders and Elizabeth Verhey as requested.**

**The Commission finds that literal application would cause a manifestly unreasonable hardship on the applicants and that a limited modification would not frustrate the purposes of the act.**

The motion passed unanimously.

### Staff Reports

#### Chief Information Technology Officer

Michael Smith reported on usage statistics of the PDC's website noting that the most popular area of interest is the View Reports section. He also briefed the Commission on progress made towards conversion of the database/imaging system.

Doug Ellis reported that Washington is ranked #1 on the Public Integrity Website for Campaign Finance Information. He also updated the Commission on the electronic filing project and upcoming WEDS training dates.

#### Records & Administration

Karen Copeland reported on processing time for incoming mail and noted that Declaration of Candidacy packets, forms and instructions will be mailed to county auditors within two weeks.

#### Assistant Attorney General

Jean Wilkinson reported on the settlement of the Michael Harbour case referred to the Attorney General's Office last October. The highlights of the settlement include \$60,000 penalty paid from non-IT funds, with \$45,000 suspended pending no further violations. Also, Intercity Transit board members must publicly apologize for the violations.

Adjournment

Commissioner Brady adjourned the meeting at 12:50 p.m. The next meeting is scheduled for Tuesday June 20, 2000.

Approved by the Commission 6/20/00